

SUBSTITUTE HOUSE BILL 2060
THE DOCUMENT RECORDING FEE FOR LOW-INCOME HOUSING

FACT SHEET

Collection of funds

- A surcharge of \$10.00 per instrument will be charged by the county auditor (or equivalent office) for each eligible document recorded. Approximately 25% of all documents recorded are exempt from the surcharge.
- The county auditor may retain up to 5% of the funds for administrative costs.
- After retention of up to 5% of the funds, the county auditor will transmit 40% of the remaining funds collected to the state treasurer on a monthly basis. Use of the state funds is discussed below.
- The county auditor will deposit the remaining 60% of the funds into an account for local low-income housing projects. This money can only be accessed after an interlocal agreement is signed among participating jurisdictions.
- Current projections for the local portion of the revenues are \$755,000 per year, based on approximately 130,000 eligible documents per year.

The State Portion of 2060 Funds

- The Office of Community Development of DCTED will use the funds for operations and maintenance (O&M) costs of housing projects, or units within housing projects, that are affordable to households with incomes at or below 30% of area median income (AMI).
- \$1.8 million will come off the top for O&M funds to emergency shelters and youth shelters across Washington State through the Emergency Shelter Assistance Program (ESAP).
- According to program guidelines developed by DCTED, the remainder of the state O&M funds will be available statewide through a competitive process for new housing projects that are applying concurrently for capital funds from the WA State Housing Trust Fund. The goals for geographic distribution of the O&M funds will mirror the current percentage of the Housing Trust Fund: King County, 40%; Other Urban Counties, 30%; Rural Counties, 30%.

Local Portion of the 2060 Funds

- Funds collected will be retained by the county and deposited into a fund that must be utilized for housing projects, or units within housing projects, in the county and its cities and towns. The projects funded must be affordable to households with incomes at or below 50% of AMI. The income (2003) for a family of four (4) would be \$32,900 annually.

- The local funds must be allocated according to an interlocal agreement between a county and the cities within the county, consistent with countywide and local housing needs and policies.
- Eligible types of housing projects/units:
 - rental housing
 - special needs housing
 - homeownership housing
 - shelters
 - transitional housing
- Eligible uses of the funds:
 - acquisition
 - rehabilitation
 - new construction
 - operating costs for emergency shelters and youth shelters
 - operation and maintenance subsidies for projects built with funding from the WA State Housing Trust Fund
 - rental assistance vouchers to be administered by a public housing authority, consistent with the Section 8 voucher program standards.
- New construction of housing is not an eligible use if the vacancy rate for "low-income housing" in the county rises above 10%; however, the funds could still be used for acquisition, rehabilitation, O&M costs and vouchers in this scenario. The low-income housing vacancy rate for each county will be developed at the Real Estate Research Center at Washington State University.

Next Steps

- The Department of Community Services will conduct a community planning and priority setting process for the use of the funds available under HB 2060. This will include convening a group of community and housing stakeholders and other interested parties to determine broad parameters for the use of funds in Clark County. We have asked Common Ground to facilitate two meetings with the hope of bringing the community to a consensus on the priorities for use and the administration of these funds. An interlocal agreement, required by the legislation, will be developed based on the recommendations of the community process.
- Our community has a number of planning bodies and documents which guide housing and service investments, for example: Continuum of Care, Human Services Review Committee, Community Action Advisory Board, Community Choices 2010, Consolidated Plan development, Clark Housing Review Board, Urban County Policy Board, we expect the allocation of 2060 funds will be grounded in these established directions.
- For questions or comments, contact Peggy Sheehan at the Department of Community Services, 397-2075 ext. 7813 or peggy.sheehan@clark.wa.gov.